

California Actuarial Advisory Panel

**Minutes of
July 28, 2011**

**Locations:
State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814**

**EFI Actuaries
1001 Connecticut Ave., NW, Suite 315
Washington, DC 20036**

1. Call to Order

Vice Chair Angelo called the meeting to order at 9:31 AM and called the roll.

Present: Sacramento: Harold Lobe, Lynn Miller, John Bartel, Rick Reed,
and Paul Angelo
Washington, DC: Edward Friend

Absent: Alan Milligan (arrived at 10:50 AM) and Leslie Finertie (not at a
noticed location, so participated as a member of the public, not as a
Panel member)

Guests: Jocelyn Roubique, SCO, Bureau Chief
Ed Mendel, Calpensions.com

SCO Staff: Cong Lu, Fiscal Analyst
Shawn Silva, Staff Counsel
Jennifer Urban, Project Liaison

2. Approval of Minutes of the June 22, 2011 Meeting

Mr. Friend moved and Mr. Reed seconded to approve the minutes of the June 22,
2011 meeting without amendment. **The motion passed 6-0.**

3. 2011 Work Plan and Proposed Addition by Panelist Friend

Mr. Friend briefed the Panel on his proposal to work independently on a project to
develop legislation to require employers to provide their employees with a
defined contribution pension plan.

Mr. Bartel moved and Mr. Friend seconded that the Panel add to its 2012 Work
Plan develop ideas for panel review to address private sector pension adequacies.

The Panel is not taking a position. The Panel has not addressed the question that anything of private sector is within the Panel's purview. **The motion passed 5-1.**

4. GASB Exposure Draft on Postemployment Benefits

Mr. Angelo provided an update on the GASB Exposure Draft.

Mr. Angelo requested that the Panel re-open Agenda Item #3 and amend Work Plan Item 8 on the 2011 Work Plan.

Mr. Reed moved and Mr. Loeb seconded to re-open Agenda Item #3 and amend Work Plan Item 8 of the 2011 Work Plan to state, "Review GASB exposure draft on public pension and prepare response by the Panel and to work and assist other entities in their comments", assign Mr. Angelo, Mr. Bartel, Mr. Reed, and Mr. Milligan to the work group, and add September 30, 2011 as the due date. **The motion passed 6-0.**

5. Developing Disclosure Standards for Public Sector Actuarial Valuation Reports Working Group Update

Mr. Angelo tabled this item until Mr. Milligan arrives.

6. Developing Pricing and Disclosure Standards for Public Sector Benefits Improvements Working Group Update

Mr. Reed informed the Panel that no action has been taken on this item.

7. Defining the Range of Model Funding Policies and Practices Working Group Update

Mr. Angelo provided a draft of the discussion. Mr. Reed stated that this item should be completed by the end of the year and that the Panel should publicize the document in California and nationally. The work group agreed to discuss via a teleconference to decide how to move forward.

8. Legislation Assembly Bill 1247 Working Group Update

The Panel reviewed the draft letter and made changes.

10:50 AM - Mr. Milligan joined the meeting. Mr. Angelo continued to Chair.

Mr. Silva gave an update on the liability and indemnification issues associated with rendering professional opinions when testifying before the Legislature. Mr. Silva informed the Panel that if they are working within the scope of their panel duties (whether testifying in front of the Legislature, or during meetings, or any other panel activity), it was the legal department's opinion that they would be

covered under the Tort Claims Act, and therefore entitled to representation and indemnification. To confirm that our opinion was correct, and what the AG's office would do if such a situation were to occur, we would send a request for a legal opinion on the issue to the AG's office.

Mr. Reed moved and Mr. Bartel seconded to adopt the letter with edits made during the meeting, subject to Mr. Milligan finalizing a dollar amount. **The motion passed 6-1.**

9. Senate Constitutional Amendment 13

Mr. Milligan took over as Chair.

Mr. Reed described the measure and the Panel discussed the role of the Panel in the measure. The Panel agreed to hold this item until the next meeting. **No motion was taken.**

10. Current Legislation

At this time there was no other legislation to discuss.

Mr. Milligan posed the question whether there were restrictions to the Panel in regards to initiatives. There was speculation that the Panel can comment on initiatives but can't be an advocate of any initiatives. Legal counsel will look into this for further detail.

11. Next Meeting – September 7, 2011 9:30 a.m. to 12:30 p.m.

The next meeting is scheduled for September 7, 2011, starting at 9:30 AM. The Panel tentatively scheduled the meeting after that for October 7, 2011, from 9:30 AM to 12:30 PM.

12. Public Comment

There was no comment from the public.

13. Adjournment

Mr. Angelo moved and Mr. Reed seconded to adjourn the meeting. **The motion passed 7-0**, and the Panel adjourned at 12:35 PM.